

## **NEW IRS SECTION TO HELP NATURAL RESOURCES INDUSTRY**

WASHINGTON -- As part of its comprehensive reorganization, the Internal Revenue Service has created a new section to work with corporations and partnerships in the natural resources industry.

The Natural Resources section -- one of five in the Large and Mid-Size Business Division (LMSB) -- will be headquartered in Houston and will serve 1,300 large businesses and 16,100 mid-sized businesses nationwide. This sector includes such industries as petroleum, mining, forest products, utilities and chemical engineering.

"We expect to see significant growth in these industries from overseas activities and mergers among utilities, giving rise to very complex tax issues. The new IRS structure will let us build a more specialized, responsive approach to these industries," Industry Director Bobby Scott said Tuesday. "This will give us greater expertise and enable us to improve our service to these taxpayers."

Like the rest of LMSB, Natural Resources will embrace an innovative approach to resolve taxpayer issues earlier and streamline the tax dispute process to reduce burdens on business, Scott said. The organization will also assist taxpayers with pre-filing services to help avoid tax disputes. This combination of factors should help reduce the cost and duration of IRS examinations, Scott said.

Scott began his IRS career as a revenue agent in Houston in 1972, and he has held a variety of management and executive positions in the agency. He was the Regional Chief Compliance Officer for the Southeast Region, in Atlanta, when he received his assignment as Natural Resources Industry Director.

Reporting to Scott will be two field directors in Houston and New Jersey. The natural resources section will have more than 900 employees throughout the country.

The change is part of a sweeping IRS reorganization to transform the agency from a geographic-based organization to a customer-focused one built around the specialized needs of taxpayers. In all, LMSB will serve the 210,000 corporations and partnerships that have at least \$5 million in assets. The other three IRS operating divisions are the Tax Exempt and Government Entities Division; the Small Business and Self-Employed Division; and the Wage and Investment Division, which will serve most individual taxpayers.

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